

## Message Text

UNCLASSIFIED

PAGE 01 BAGHDA 00216 201622 Z

50

ACTION NEA-12

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 RSR-01

PA-03 PRS-01 USIA-12 SCEM-02 INT-08 /148 W

----- 125774

R 181000 Z APR 73

FM USINT BAGHDAD

TO SECSTATE WASHDC 295

UNCLAS BAGHDAD 216

E. O. 11652: N/ A

TAGS: EFIN, IZ

SUBJECT: INVESTMENT INFORMATION FOR FY 1974 FACT BOOK

REF: CA-1975

1. INVESTMENT CLIMATE IN IRAQ - GOI FOLLOWS HIGHLY NATIONALISTIC AND INCREASINGLY STATE CONTROLLED POLICIES WHICH DISCOURAGE DIRECT FOREIGN INVESTMENT. POLITICAL ANIMOSITY TOWARD U. S. GOVERNMENT POLICIES AND POSSIBILITY OF RASH IRAQI REACTIONS TO INTERNATIONAL EVENTS MAKE EVEN SHORT TERM INVESTMENTS RISKY FOR U. S. FIRMS. IRAQ' S IMPORT POLICY IS NOT TO IMPORT ANYTHING FROM U. S. EXCEPT SPARE PARTS. EXCEPTIONS ARE HOWEVER MADE FOR GOODS OR SERVICES THAT CANNOT BE OBTAINED ELSEWHERE AND FOR PRODUCTS THAT INDIVIDUAL MINISTRY OR STATE ORGANIZATION WISH TO PURCHASE FROM U. S. PRICES ARE REGULATED BY THE GOVERNMENT. AN INVESTMENT CODE IS BEING DRAFTED TO ENCOURAGE DOMESTIC PRIVATE INVESTMENT IN CERTAIN SECTORS AND IT MAY CONTAIN SOME INCENTIVES FOR LIMITED FOREIGN PRIVATE INVESTMENT AS WELL.

2. AS RESULT OF IPC SETTLEMENT OF MARCH 1, 1973, IRAQ' S OIL EARNINGS ARE EXPECTED TO DOUBLE IN THREE YEARS TO TWO BILLION DOLLARS IN 1975. OPPORTUNITIES IN FIELD OF OIL EXPLORATION WILL BE VERY LARGE ALTHOUGH GOI HAS NOT YET SETTLED ON TYPE OF FORMULA IT WISHES TO USE IN ENGAGING FOREIGN FIRMS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BAGHDA 00216 201622 Z

3. U. S. DIRECT INVESTMENT CONSISTS OF 23.75 PERCENT AMERICAN ( MOBIL AND EXXON) OWNERSHIP OF BASRA PETROLEUM COMPANY. THE AMERICAN SHARE IS ESTIMATED AT APPROXIMATELY 25 MILLION DOLLARS. DURING COMING YEAR AN ADDITIONAL 40 MILLION DOLLAR AMERICAN INVESTMENT IS EARMARKED FOR BPC EXPANSION.

4. DEPARTMENT MAY WISH TO CHECK ESTIMATES IN PARA 3 WITH MOBIL AND EXXON.  
LOWRIE

UNCLASSIFIED

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BAGHDA00216  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** BAGHDAD  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730445/aaaaircf.tel  
**Line Count:** 78  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** CA-1975  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** cunninfx  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01-Oct-2001 by averetam>; APPROVED <08 FEB 2002 by cunninfx>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980122  
**Subject:** INVESTMENT INFORMATION FOR FY 1974 FACT BOOK  
**TAGS:** EFIN, IZ  
**To:** NEA  
**SECSTATE WASHDC**  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005